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DATE: Sime St. REVIEWERI-	31 MAY 1963

MEMORANDUM FOR: Deputy for Field Activities, OSA

SUBJECT : Quality Control, LAC

REFERENCE : Paragraph 3, Actions Required from Staff

Meeting, Dated 23 May 1963

- 1. The discrepancies found on Article 350 after its delivery to Detachment G following MOD/IRAN at Lockheed have once again focused attention on quality control procedures at LAC. Our immediate action was to ask LAC for an explanation of what appeared to be inadequate flight check and inspection of the aircraft.
- 2. Kelly Johnson's reply admitted to poor workmanship and inspection on two items and an oversight in not accomplishing a third. Four additional discrepancies reported by Betachment G could not rightfully be attributed to improper flight check or inspection by LAC. Of the four, two were normal flight check items—auto pilot and emergency fuel operation—and were satisfactory at the time of delivery. A third—speed brake rubbing on fuselage—was corrected and flight checked prior to delivery. The fourth—drift sight out of alignment—is not an LAC maintenance responsibility.

3. In my opinion, bringing this to the attention of Kelly Johnson was the most effective action we could take. His response was prompt and positive. From subsequent discussions with I know that both Kelly's and pride was sorely wounded by this incident and that the law was laid down to all concerned. This is the first unsatisfactory occurrence involving aircraft in the MOD/IRAN program. We have Kelly Johnson's assurance that positive corrective action has been taken to provent a reoccurrence. I am confident he will stand behind his word.

4. As a result of this incident, we have considered several concepts to provide us with a surveillance capability at LAC in order to "ride herd" on the quality of their output. Among these were the assignment of a plant representative, a team of project inspectors, and the conducting of acceptance inspections at the plant by Detachment G personnel prior to aircraft deliveries. We discussed these concepts with

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census that we should leave the responsibility for plant management and quality control where it properly belongs—square on the shoulders of Kelly Johnson and LAC. It would appear most unwise to do otherwise.

accomplish little or nothing with respect to detailed quality control. The areas requiring coverage are too vast and too varied, technically. To superimpose an inspection echelon of qualified Project personnel on LAC's inspection department would not only duplicate existing controls, checks, and manpower, but would pyramid costs and could impede efficient contract performance. The philosophy of our entire relationship with LAC has been one of mutual trust. We have relied on their technology, their management capability, and their integrity to design, develop, and produce quality products with a minimum of administrative control by us. It is our opinion that this policy should continue. We can accomplish more through personal pressure on Kelly Johnson and than a whole host of surveillance inspectors could

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do.

6. LAC's record in the U-2 program has been outstanding. The quality of their product, with few exceptions, has been exceptionally high. Where lapses in quality control have occurred, they always have demonstrated an in-house capability to correct the situation. If this were not the case, action by this Headquarters to establish an inspection team at the plant would certainly be justified. However, long before this occurs, it would appear that the greater question of LAC's reliability, integrity, and qualification for continuance in the IDEALIST and OXCART Programs would have to be examined.

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Chief, Materiel Division OSA-DD/R

cc: D/TECH/OSA C/QD/OSA